

ANNUAL REPORT
OF THE
Detroit and Mackinac
Railway Company



For the Fiscal Year Ending December 31st
1921

ANNUAL REPORT

OF THE

Detroit and Mackinac Railway Company

For the Fiscal Year Ending December 31st

1921

DIRECTORS AND OFFICERS

BOARD OF DIRECTORS

HENRY K. McHARG	Stamford, Conn.
HENRY K. McHARG, JR.	East Tawas, Mich.
WALTON FERGUSON	Stamford, Conn.
JAMES BROWN MABON	New York, N. Y.
JAMES McNEIL	New York, N. Y.

OFFICERS

HENRY K. McHARG, <i>President</i> , Stamford Conn.
JAMES McNEIL, <i>Secretary-Treasurer</i> , 40 Wall Street, New York, N. Y.
HENRY K. McHARG, JR., <i>Vice-President and General Manager</i> , East Tawas, Michigan.
CHARLES E. GLASS, <i>Vice-President and Auditor</i> , East Tawas, Michigan.

General Office: EAST TAWAS, MICHIGAN.

HAWKINS, GIES & COMPANY

N. A. HAWKINS, C. P. A.
FRED T. GIES, C. P. A.

Public Accountants

L. H. TURRELL, C. P. A.
LEE R. BISHOP

MAJESTIC BUILDING, DETROIT, MICH.

February 23, 1922.

C. E. GLASS, Esq.,
Vice President and Auditor,
Detroit & Mackinac Railway Company,
East Tawas, Michigan.

Dear Sir:—

We have made an audit of the accounts of the Detroit & Mackinac Railway Company for the fiscal year ending December 31, 1921, and submit herewith statements setting forth the results of the operations of the property for the period under review.

We hereby certify that according to the books the attached Balance Sheet reflects the true financial position of your company at December 31, 1921, and the accompanying statements of Income and Profit and Loss, with the supporting schedules, are a correct expression of the results of your operations for the period ending on that date.

Respectfully,

HAWKINS, GIES & COMPANY.

REPORT OF THE PRESIDENT TO THE STOCKHOLDERS
OF THE
DETROIT AND MACKINAC RAILWAY COMPANY

March 9th, 1922.

To the Stockholders of the Detroit and Mackinac Railway Company:

The financial results, as shown by the enclosed statements, must be to you, as they are to myself, most unsatisfactory. Unfortunately, your property is situated in a sparsely settled part of Michigan, which has suffered seriously during the present general depression.

Together with a few other railroads in this Country, earning little over \$5,000.00 gross per mile, previous to the period of Government control, we were classed with the big railroad systems as a Class 1 Road, and the rates of pay of our employees set accordingly. The Class 2 and 3 Roads, many of them earning more gross per mile than your property, were not compelled to apply these rates, different scales being in effect for the different classes.

In the year just past, the gross earnings of the Michigan Central were approximately \$39,000.00 per mile; the Pere Marquette System \$17,000.00 per mile; while the gross earnings of your property were approximately \$5,800.00. The unfairness of requiring us to maintain the same rates of pay, with our difference of gross per mile from the above mentioned roads, is obvious. Previous to the period of Government control, our employees had never received, or expected, the same compensation as employees of the large Trunk Systems running out of Chicago, New York and other large cities, for the very good reason that the expenses of living, such as the necessities of life, rent, etc., are very much less than in the large centers. This fact is clearly recognized in the Transportation Act of 1920, which states that in fixing rates of pay, the cost of living, hazard of employment, together with the rates of pay in industries adjacent to the line of road, shall be taken into consideration. Owing to the loyalty of our employees, who realized our financial condition, we were able to make a reduction in the rates of pay on April 1st, instead of July 1st, 1921, as was done by the other Class 1 Roads.

At one period during the past year 36% of our equipment was in bad order. At the present time this has been reduced to 30%, but our progress in reduction has been very slow, owing to the lack of funds to return equipment to proper condition. A Car Repairer today is paid only five cents per hour less than a Skilled Machinist, who is obliged to serve an apprenticeship of four years, whereas a man of ordinary intelligence with a saw and hammer, without any apprenticeship, can fill a Car Repairer's position.

Our taxes have increased from year to year. It is difficult to know upon what basis of valuation they are fixed, amounting to about \$138,000.00 for the year 1921, which was approximately 70% of our net earnings. The interest on our \$2,300,000.00 outstanding 4% bonds, amounts to \$92,000.00 of which interest we only earned approximately half. During the year 1921, we spent on betterments and additions to property \$268,788.23, the largest items being for a new freight house at Alpena, and three coaling stations on the line of the road; these, together with other additions, were absolutely necessary for the safe and economical operation of the property. Fortunately, no additional betterments requiring large expenditures are necessary, and with the exception of the item "New Rail", which has been sadly neglected for the past three years, no further expenditures are contemplated.

In August 1921, after a session of a day with the Lawyers representing the Director General of Railroads, who gave little, if any attention to the lack of maintenance, repairs to equipment, or inefficiency of labor, I was obliged to accept in lieu of our claim amounting to \$252,425.82, \$105,000.00 for compensation still due for the twenty-six months period of Government control.

As yet, our Claim for the six months Guarantee Period has not been adjusted, but in view of the rule of the Interstate Commerce Commission to give little, or no consideration to the facts of inefficiency, which we believe would apply, what we will be allowed for this period is still quite questionable.

In view of the fact that since 1903, over a million and a half dollars have been spent out of earnings on the property for its betterment, without the issuance of securities of any kind to represent the same and the further fact that the road itself, its equipment, shops, etc., which is capitalized at \$15,000.00 per mile, could not at the present day be duplicated for \$30,000.00 per mile, I still, with a spirit of optimism, hope for better conditions in the future, upon the return of prosperity to our Country.

Respectfully yours,

HENRY K. MCHARG, President.

DETROIT AND MACKINAC RAILWAY COMPANY

VICE-PRESIDENT AND AUDITOR'S OFFICE

East Tawas, Mich., March 6th, 1922.

HENRY K. McHARG, ESQ.,

President.

Dear Sir:—

I herewith submit statements of the General Accounts and tables showing the result of operations of the Detroit and Mackinac Railway Company for the fiscal year ending December 31st, 1921, as follows:

TABLE A—Condensed General Balance Sheet.

TABLE B—Income Account.

TABLE C—Particulars of Bonded Debt.

TABLE D—Comparative Financial Statement.

TABLE E—Earnings and Expenses ~~by years.~~

TABLE F—Earnings and Expenses by months.

TABLE G—Operating Expenses.

TABLE H—Mileage.

TABLE I—Classification of Freight Tonnage, 1920 and 1921.

TABLE J—Statistics for years 1920 and 1921.

Table K—Equipment.

TABLE L—Spurs, Sidings and Branches taken up and built during year.

Respectfully,

C. E. GLASS,

Vice-President and Auditor.

TABLE A

DETROIT AND MACKINAC RAILWAY COMPANY

CONDENSED GENERAL BALANCE SHEET AS OF DECEMBER 31, 1921, AND COMPARISON WITH
GENERAL BALANCE SHEET AS OF DECEMBER 31, 1920, SHOWING INCREASE AND DECREASE.

ASSETS		Items	Total	Increase	Decrease
Investments					
Investment in Road and Equipment		\$6,973,852.13	\$6,992,853.66	\$258,608.54	
Miscellaneous Physical Property		19,001.53		8,779.69	
Current Assets					
Cash		58,249.93	739,227.44	15,914.10	
Special Deposits—J. P. Morgan Coupon Account		1,520.00			\$440.00
Net Balances Receivable from Agents and Conductors		12,844.88			14,648.43
Miscellaneous Accounts Receivable		68,334.37			33,314.38
Material and Supplies		591,985.27			5,523.61
Equipment Salvage		6,166.93		6,166.93	
Other Current Assets		126.06		21.83	
U. S. Government					
Guaranty for Guaranty Period		156,180.83	156,180.83		
Federal Settlement					40,791.34
Unadjusted Debits					
Insurance Premiums Paid in Advance		865.08	17,705.10	43.53	
Working Fund Advances		313.63			
Other Unadjusted Debits		16,526.39			13,295.31
Total			\$7,905,967.03	\$181,521.55	

TABLE A (Continued)

LIABILITIES		Total	Increase	Decrease
	Items			
Capital Stock		\$2,950,000.00		
Common Stock	\$2,000,000.00			
Preferred Stock	950,000.00			
Long Term Debt		2,300,000.00		
First Lien Bonds	1,050,000.00			
Mortgage Bonds	1,250,000.00			
Current Liabilities		438,617.62	\$246,000.00	\$199,200.04
Loans and Bills Payable	246,000.00			11,941.94
Audited Accounts and Wages Unpaid	154,450.29			440.00
Miscellaneous Accounts Payable	11,769.91			
Interest Matured Unpaid	1,520.00			
Traffic and Car Service Balance Payable	17,210.75		16,517.96	
Unmatured Interest Accrued	7,666.67			
U. S. Government		55,000.00	55,000.00	
U. S. Government Partial Payment for Guaranty Period...	55,000.00			
Unadjusted Credits		852,724.81	33,835.54	2,862.93
Tax Liability	139,693.59			1,262.84
Operating Reserves				
Accrued Depreciation — Road	164,460.63			
Accrued Depreciation — Equipment	534,033.39		40,187.47	
Other Unadjusted Credits	14,537.20			37,269.37
Corporate Surplus		1,309,624.60	258,608.54	215,650.84
Additions to Property Through Income and Surplus	1,116,830.16			
Profit and Loss — Credit Balance	192,794.44			
Total		\$7,905,967.03	\$181,521.55	

T A B L E B
INCOME ACCOUNT DECEMBER 31, 1921 COMPARED WITH FISCAL YEAR ENDED DECEMBER 31, 1920

OPERATING REVENUES

	Corporate 1921	Corporate and Federal 1921	Corporate and Federal 1920	Total Increase or Decrease
Freight	\$1,441,278.73	\$1,442,808.81	\$1,323,725.90	\$ 30,725.71
Passenger	406,169.07	406,134.73	375,710.36	31,801.05
Excess Baggage	3,012.54	3,013.94	2,288.79	758.78
Parlor and Chair Car	3,163.44	3,163.94	2,914.20	37.01
Mail	54,010.40	54,010.40	36,303.12	15,776.84
Express	34,259.81	34,259.81	43,378.50	17,803.94
Other Passenger Train	536.21	536.21	607.60	102.83
Milk	1,348.67	1,348.67	1,520.57	240.86
Switching	13,783.28	13,779.28	11,812.80	1,432.48
Special Service Train	283.50	283.50	954.22	688.61
Other Freight Train	105.00	105.00	180.00	405.00
Station, Train and Boat Privileges	360.40	360.40	402.07	120.92
Storage—Freight	2,850.88	2,850.88	2,813.36	184.95
Storage—Baggage	45.96	45.96	27.16	17.35
Demurrage	5,238.88	5,058.88	10,926.00	7,219.12
Telegraph and Telephone	112.75	112.75	101.75	3.25
Rents of Buildings and Other Property	1,179.00	1,179.00	939.82	103.00
Miscellaneous	3,389.12	3,389.12	3,825.30	2,491.40
Total Operating Revenues	\$1,971,127.64	\$1,972,441.28	\$1,818,431.52	\$105,489.38

OPERATING EXPENSES

Maintenance of Way and Structures	\$ 295,902.02	\$ 293,649.01	\$ 348,404.05	\$102,578.31
Maintenance of Equipment	535,656.43	536,631.71	498,447.26	53,576.53
Traffic Expense	28,016.07	27,993.00	26,069.46	5,009.90
Transportation—Rail Line	827,842.05	831,049.82	904,399.24	273,079.09
General	78,095.50	78,020.50	89,646.05	25,818.72

T A B L E B (Continued)

Transportation for Investment—Cr.	1,252.47	1,457.57	1,486.51	234.04
Miscellaneous Operations	41.15	41.15		41.15
Total Operating Expenses	\$1,764,300.75	\$1,766,132.72	\$1,865,508.49	\$2,225,920.08
Net Operating Revenue	\$ 206,826.89	\$ 206,308.56	\$ 47,076.97	\$ 147,989.42
Railway Tax Accruals	135,742.55	138,040.84	94,458.24	132,958.52
Uncollectible Railway Revenues	1.07	51.15		98.28
Railway Operating Income	\$ 71,083.27	\$ 68,216.57	\$ 141,535.21	\$ 281,046.22
Revenues from Miscellaneous Operations			\$ 327.99	\$ 32.99
Expenses of Miscellaneous Operations			292.32	292.32
Miscellaneous Rent Income	\$ 366.35	\$ 370.97	15.00	355.97
Miscellaneous Nonoperating Physical Property	51.29	51.29	810.96	1,111.40
Income from Funded Securities			1,877.08	1,162.69
Income from Unfunded Securities and Accounts	3,627.48	3,684.04	7,248.10	2,755.60
Miscellaneous Income	270.53	555.53	156,180.83	2,755.60
Joint Facility Rents—Cr. Balance	1,632.27	1,632.27	3,934.39	164,600.14
Income from Lease of Road	3,200.04	3,200.04	51,461.87	2,965.69
Total Income	\$ 80,128.65	\$ 77,608.13	\$ 79,372.71	\$ 125,631.32
Equipment Rents—Debit Balance	\$ 4,400.91	\$ 4,278.77	\$ 107,905.43	\$ 125,604.72
Interest on Funded Debt	92,000.00	92,000.00	92,000.00	92,000.00
Interest on Unfunded Debt	13,750.46	13,750.46	3,202.51	3,306.83
Miscellaneous Rents	30.00	30.00		10,443.63
Miscellaneous Tax Accruals	1,007.66	1,007.66		30.00
Miscellaneous Income Charges		94.70		1,007.66
Dividend Appropriations of Income			47,500.00	3,390.61
Income Appropriated for Investment in Physical Property	258,608.54	258,608.54	40,744.19	47,500.00
Surplus	\$ 289,668.92	\$ 291,972.60	\$ 3,831.44	217,864.35
			\$ 106,762.95	\$ 185,209.65

Italics denote decrease.

T A B L E B (Continued)

CORPORATE PROFIT AND LOSS ACCOUNTS

Credit Balance, January 1, 1921	\$408,445.28	
Profit on Road and Equipment Sold	109.40	
Unrefundable Overcharges	1,954.04	
Miscellaneous Credits	135,579.25	
Debit Balance Transferred from Income	\$289,668.92	
Loss on Retired Road and Equipment	17,901.28	
Miscellaneous Debits	45,723.33	
Credit Balance Carried to Balance Sheet	192,794.44	
	\$546,087.97	\$546,087.97

T A B L E C

DETROIT AND MACKINAC RAILWAY COMPANY

PARTICULARS OF BONDED DEBT

Class of Bonds	Amount Outstanding	INTEREST		Interest Accrued During Year	Principal Due
		Rate	When Payable		
First Lien	\$1,050,000.00	4%	June and December	\$42,000.00	June 1, 1995
Mort.	1,250,000.00	4%	June and December	50,000.00	June 1, 1995
	\$2,300,000.00			\$92,000.00	

T A B L E D
DETROIT AND MACKINAC RAILWAY COMPANY

COMPARATIVE FINANCIAL STATEMENT

Current Assets	Dec. 31, 1919	Dec. 31, 1920	Dec. 31, 1921
Cash	\$ 2,407.82	\$ 42,335.83	\$ 58,249.93
Special Funds	6,780.00	1,960.00	1,520.00
Due from Station Agents and Others	1,315.86	129,246.29	81,305.31
Material and Supplies		597,508.88	598,152.20
Prepaid and Deferred Charges	608.63	1,135.18	1,178.71
U. S. Government Guaranty for Guaranty Period			156,180.83
U. S. Government Standard Return	621,328.08	672,256.61	
U. S. Government Assets, Dec. 31, 1917 ...	751,269.23	977,206.90	
Other Unadjusted Debits			16,526.39
Totals.....	\$1,383,709.62	\$2,421,649.69	\$ 913,113.37
Less Current Liabilities			
Audited Vouchers and Pay Rolls	\$ 494.96	\$ 353,650.33	\$ 154,450.29
Notes Payable	157,000.00		246,000.00
Accrued Taxes, Interest and Traffic Balances	32,060.67	139,889.36	177,860.92
U. S. Government Liabilities, Dec. 31, 1917, Paid	241,140.05	244,912.91	
U. S. Government Corporate Transactions..	582,273.25	1,177,756.73	
U. S. Government Partial Payment for Guaranty Period			55,000.00
Totals.....	\$1,012,968.93	\$1,916,209.33	\$ 633,311.21
Net Assets	\$ 370,740.69	\$ 505,440.36	\$ 279,802.16
Capital Assets			
Cost of Road	\$5,687,663.46	\$5,775,577.33	\$6,000,429.89
Cost of Equipment	987,220.94	939,666.26	973,422.24
Miscellaneous Property	15,274.34	10,221.84	19,001.53
U. S. Government Fourth Liberty Loan Bonds	100,000.00		
Totals.....	\$6,790,158.74	\$6,725,465.43	\$6,992,853.66
Net Assets	\$7,160,899.43	\$7,230,905.79	\$7,272,655.82
Representing—			
Bonds Issued—First Lien	\$1,050,000.00	\$1,050,000.00	\$1,050,000.00
Bonds Issued—Mortgage	1,250,000.00	1,250,000.00	1,250,000.00
Stock Issued—Common	2,000,000.00	2,000,000.00	2,000,000.00
Stock Issued—Preferred	950,000.00	950,000.00	950,000.00
Reserves	664,042.87	662,432.32	698,494.02
Other Unadjusted Credits	236,663.86	51,806.57	14,537.20
Additions to Property Through Income and Surplus	817,477.43	858,221.62	1,116,830.16
Surplus	192,715.27	408,445.28	192,794.44
Totals.....	\$7,160,899.43	\$7,230,905.79	\$7,272,655.82

T A B L E E
DETROIT AND MACKINAC RAILWAY COMPANY
REVENUES AND EXPENSES BY YEARS

REVENUES—	1917	Per	1918	Per	1919	Per	1920	Per	1921	Per
	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.	Amount	Cent.
Freight	\$ 891,381.03	66.00	\$1,128,352.23	72.47	\$1,188,803.81	70.46	\$1,473,534.52	70.91	\$1,442,808.81	73.14
Passenger	346,441.54	25.65	325,346.77	20.90	401,038.95	23.76	437,935.78	21.07	406,134.73	20.59
Mail	33,469.79	2.48	32,261.75	2.07	32,506.63	1.93	69,787.24	3.36	54,010.40	2.74
Express	43,904.54	3.26	48,133.33	3.09	35,451.81	2.10	52,063.75	2.51	34,259.81	1.74
Other Sources	35,253.54	2.61	22,939.71	1.47	29,540.30	1.75	44,609.37	2.15	35,227.53	1.79
Total	\$1,350,450.44	100%	\$1,557,033.79	100%	\$1,687,341.50	100%	\$2,077,930.66	100%	\$1,972,441.28	100%
EXPENSES—										
Maint. Way and Structures.....	\$ 165,830.06	15.48	\$ 273,425.92	18.37	\$ 268,161.27	15.97	\$ 396,227.32	17.80	\$ 293,649.01	16.63
Maint. Equipment	290,601.58	27.14	437,373.72	29.39	464,299.40	27.64	590,208.24	26.52	536,631.71	30.38
Traffic	28,300.48	2.64	26,521.45	1.77	32,195.55	1.91	33,002.90	1.48	27,993.00	1.59
Transportation	537,754.59	50.21	687,756.64	46.21	808,087.13	48.11	1,104,128.91	49.60	831,049.82	47.05
Miscellaneous Operation	1,359.09	.13	.....	.....	.....	.....	.....	.....	41.15	.....
General	47,103.59	4.40	63,380.13	4.26	108,350.67	6.45	103,839.22	4.67	78,020.50	4.42
Transpn. for Investment—Cr.....	.....	.....	.....	.....	1,468.20	.08	1,486.51	.07	1,252.47	.07
Total	\$1,071,039.39	100%	\$1,488,457.86	100%	\$1,679,625.82	100%	\$2,225,920.08	100%	\$1,766,132.72	100%
Net Earnings	279,411.05	20.69	68,575.93	4.41	7,715.68	.46	147,989.42	7.12	206,308.56	10.45
Taxes	99,295.13	7.35	99,785.45	6.41	92,631.89	5.49	132,958.52	6.40	138,040.84	6.99
Net Earnings, less Taxes..	180,115.92	13.34	31,209.52	2.00	84,916.21	5.03	280,947.94	13.52	68,267.72	3.46

Note.—1918, 1919 and January and February, 1920 are Federal Administration figures.
Italic Figures Denote Deficit.

T A B L E F

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF OPERATING REVENUES AND OPERATING EXPENSES FOR FISCAL YEAR ENDING DECEMBER 31, 1921

OPERATING REVENUES

Operating Rev.	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
Freight	\$ 74,445.26	\$ 86,622.47	\$122,399.30	\$117,684.25	\$132,350.16	\$136,007.14	\$137,173.50	\$142,052.39	\$143,472.21	\$141,255.18	\$131,898.80	\$ 77,448.15
Passenger	37,353.70	25,430.64	35,053.77	32,629.79	29,780.29	30,505.59	38,492.87	45,741.45	35,513.54	30,122.83	30,851.48	34,658.78
Mail	3,750.00	3,750.00	8,595.65	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,000.00	4,700.80	3,999.00	5,214.95
Express	2,500.00	2,500.00	905.23	1,121.49	939.23	3,047.69	2,074.92	4,037.41	4,357.98	3,056.02	3,425.14	6,294.70
Other Sources	2,234.98	2,639.94	2,728.60	2,723.25	3,294.19	3,802.38	2,268.77	3,961.30	4,880.03	2,198.71	2,641.00	1,854.38
Totals	\$120,283.94	\$120,943.05	\$169,682.55	\$158,158.78	\$170,363.87	\$177,362.80	\$184,010.06	\$199,792.55	\$192,223.76	\$181,333.54	\$172,815.42	\$125,470.96

OPERATING EXPENSES

Operating Exp.	Jan.	Feb.	March	April	May	June	July	August	Sept.	Oct.	Nov.	Dec.
Maint. Way & Structures \$	20,706.44	\$ 27,597.31	\$ 17,158.82	\$ 29,585.14	\$ 25,696.26	\$ 29,762.09	\$ 29,033.31	\$ 25,771.39	\$ 30,835.64	\$ 31,059.46	\$ 22,344.80	\$ 4,098.35
Maint. Equipment ...	54,460.98	36,363.49	48,026.19	49,308.81	49,280.95	46,794.71	36,511.66	38,487.06	50,020.43	51,513.20	41,146.44	34,717.79
Traffic	2,472.87	3,420.68	2,390.64	2,759.03	2,491.22	2,771.61	2,855.51	794.06	2,169.10	1,981.96	1,727.16	2,159.16
Transportation	74,098.54	72,222.49	71,778.14	72,488.41	65,426.72	67,299.22	66,537.86	69,860.76	66,527.83	72,651.98	68,085.23	64,072.64
General	7,637.16	6,564.94	7,123.51	6,683.58	6,807.06	5,987.76	6,157.80	7,327.90	6,465.09	5,743.83	5,794.56	5,727.31
Misc. Operations ....	.....	.....	.....	.....	2.62	.....	.....	11.32	5.40	7.06	7.00	7.75
Trans. for Invest. Cr.	31.93	18.26	72.47	35.20	5.38	98.80	43.54	410.66	151.53	253.42	86.26	45.02
Totals	\$159,344.06	\$146,150.65	\$146,404.83	\$160,789.77	\$149,699.45	\$152,516.59	\$141,052.60	\$141,841.83	\$155,871.96	\$162,704.07	\$139,018.93	\$110,737.98
Net Revenue	\$ 39,060.12	\$ 25,207.60	\$ 23,277.72	\$ 2,630.99	\$ 20,664.42	\$ 24,846.21	\$ 42,957.46	\$ 57,950.72	\$ 36,351.80	\$ 18,629.47	\$ 33,796.49	\$ 14,732.98
Prop. Exp. to Revenue	132.47%	120.84%	86.28%	101.66%	87.87%	85.99%	76.65%	70.99%	81.08%	89.72%	80.44%	88.25%

Italic Figures Denote Deficit.

TABLE G

DETROIT AND MACKINAC RAILWAY COMPANY

OPERATING EXPENSES

MAINTENANCE OF WAY AND STRUCTURES

	Federal and Corporate	Increase	Decrease
Superintendence	\$ 19,760.62	\$ 2,493.32	
Roadway Maintenance	18,639.86		\$ 1,045.26
Bridges Trestles and Culverts	4,265.00		15,107.57
Ties	58,853.95	102.73	
Rails	5,770.41		9,995.71
Other Track Material	10,224.05		8,037.19
Ballast	1,675.64		1,219.05
Track Laying and Surfacing	121,929.46		65,078.49
Right of Way Fences	2,928.69		2,044.84
Snow and Sand Fences and Snowsheds			11.20
Crossings and Signs	2,429.38	757.41	
Station and Office Buildings	15,781.68		2,450.10
Roadway Buildings	1,111.53	647.74	
Water Stations	6,129.31	2,556.96	
Fuel Stations	430.84		63.55
Shops and Enginehouses	9,219.79	4,572.31	
Coal and Ore Wharves	95.20	95.20	
Telegraph and Telephone Lines	4,820.79	67.00	
Signals and Interlockers	24.41	3,446.86	
Roadway Machines	4,631.96	3,648.61	
Small Tools and Supplies	1,837.19		4,770.45
Removing Snow, Ice and Sand	6,728.61		20,377.52
Injuries to Persons	1,238.44		34.49
Insurance	1,738.50	681.00	
Stationery and Printing	578.64	92.45	
Other Expenses			6.21
Maintaining Joint Tracks, Yards and Other Facilities—Dr.	3,900.01	2,972.86	
Maintaining Joint Tracks, Yards and Other Facilities—Cr.	445.87		5,528.87
Total	\$293,649.01		\$102,578.31

MAINTENANCE OF EQUIPMENT

Superintendence	\$ 15,778.09	\$ 1,755.17
Shop Machinery	7,799.89	4,430.08
Steam Locomotives—Repairs	156,617.07	18,378.22
Steam Locomotives—Depreciation	11,868.00	133.36
Steam Locomotives—Retirements	4,393.20	3,683.61
Freight Train Cars—Repairs	243,481.00	36,355.08

T A B L E G (Continued)

Freight Train Cars—Depreciation	30,263.59	157.20	
Freight Train Cars—Retirements	1,962.16		377.47
Passenger Train Cars—Repairs	59,727.16	2,446.24	
Passenger Train Cars—Depreciation	6,584.96		1,187.48
Passenger Train Cars—Retirements	1,774.14	11,051.04	
Work Equipment—Repairs	6,376.42	53.87	
Work Equipment—Depreciation	1,197.05	68.09	
Work Equipment—Retirements	1,177.34		1,177.34
Miscellaneous Equipment—Repairs			2.00
Injuries to Persons	1,563.25	229.07	
Insurance	281.29		420.98
Stationery and Printing	852.50		397.52
Other Expenses			2.15
Maintaining Joint Equipment at Terminals—Dr.			110.13
Maintaining Joint Equipment at Terminals—Cr.			561.83
Total	\$536,631.71		\$ 53,576.53

T R A F F I C

Superintendence	\$ 19,303.62		\$ 50.93
Outside Agencies			237.49
Advertising	396.24		693.44
Traffic Associations	1,213.90		3,748.37
Industrial and Immigration Bureaus	550.00	150.00	
Insurance			17.24
Stationery and Printing	6,529.24		412.43
Total	\$ 27,993.00		\$ 5,009.90

M I S C E L L A N E O U S O P E R A T I O N S

Dining and Buffet Service	\$ 41.15	\$ 41.15
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T R A N S P O R T A T I O N

Superintendence	\$ 38,760.40		\$ 12,687.47
Dispatching Trains	12,698.89		844.49
Station Employees	118,450.74		31,959.34
Weighing, Inspection and Demurrage Bureaus..	782.42		1,088.71
Station Supplies and Expenses	6,183.87		657.66
Yard Masters and Yard Clerks	5,632.62		1,830.73
Yard Conductors and Brakemen	20,442.55		15,337.36
Yard Enginemen	15,845.93		8,046.64
Fuel for Yard Locomotives	28,448.31		11,690.79
Water for Yard Locomotives	1,173.68		625.92
Lubricants for Yard Locomotives	906.64	575.10	
Other Supplies for Yard Locomotives	170.28		369.58
Enginehouse Expenses—Yard	5,179.73		1,352.69
Yard Supplies and Expenses	438.38	282.72	
Train Enginemen	74,681.24		19,099.14
Fuel for Train Locomotives	216,398.37		113,904.98
Water for Train Locomotives	8,838.87		6,761.61

T A B L E G (Continued)

Lubricants for Train Locomotives	1,951.66		50.46
Other Supplies for Train Locomotives	2,429.49	1,359.49	
Enginehouse Expenses—Train	36,919.79		19,608.70
Trainmen	86,817.36		24,043.06
Train Supplies and Expenses	45,977.68		31,795.77
Operating Sleeping Cars	226.50		1,006.77
Drawbridge Operation	3,524.23		818.57
Telegraph and Telephone Operation	4,356.67		784.33
Stationery and Printing	11,105.42		4,417.54
Other Expenses	56.00		15.21
Insurance	597.21	129.93	
Clearing Wrecks	2,110.56		1,987.11
Damage to Property	2,480.47		844.29
Damage to Livestock on Right of Way	303.88		181.58
Loss and Damage—Freight	13,621.69		1,539.63
Loss and Damage—Baggage	60.50		288.31
Injuries to Persons	4,132.81		1,052.46
Operating Joint Yards and Terminals—Dr.	52,121.99	32,823.80	
Operating Joint Yards and Terminals—Cr.	2,062.31		2,681.05
Operating Joint Tracks and Facilities—Dr.	12,269.87	3,801.77	
Operating Joint Tracks and Facilities	2,531.57	42.05	
Total	\$831,049.82		\$273,079.09

GENERAL

Salaries and Expenses of General Officers	\$ 13,195.44	\$ 475.03	
Salaries and Expenses of Clerks and Attendants	45,768.92		5,478.49
General Office Supplies and Expenses	3,114.73		2,376.93
Law Expenses	6,786.61		9,882.99
Insurance	146.46		313.01
Pensions	5,575.97		4,231.53
Stationery and Printing	2,455.37		4,580.29
Valuation Expenses		62.61	
Other Expenses	977.00	506.88	
Total	\$ 78,020.50		\$ 25,818.72

SUMMARY

Maintenance of Way and Structures	\$293,649.01		\$102,578.31
Maintenance of Equipment	536,631.71		53,576.53
Traffic	27,993.00		5,009.90
Miscellaneous Operations	41.15	41.15	
Transportation	831,049.82		273,079.09
General	78,020.50		25,818.72
Transportation for Investment—Cr.	1,252.47		234.04
Total	\$1,766,132.72		\$459,787.36

Italic figures denote Credits.

T A B L E H

STATEMENT OF MILEAGE, DECEMBER 31, 1921

Main Line

North Bay City to Cheboygan	195.53
One-half Ownership—Foss to North Bay City .....	.12

Branches

Omer to Au Gres	8.20
Emery Junction to Prescott	12.15
Emery Junction to Rose City	31.22
Alabaster Junction to Alabaster	4.27
Au Sable to Comins	49.65
Hardy to Beevers	11.01
Lincoln Junction to Lincoln	14.66
Hillman Junction to Hillman	23.35
Rogers City Junction to Rogers City	14.40
Various Logging Branches	23.39
Total	192.30
Total Main Line and Branches	387.95
Yard Tracks and Sidings	102.89
Total, all Tracks	490.84

T A B L E I

DETROIT AND MACKINAC RAILWAY COMPANY

CLASSIFICATION OF FREIGHT TONNAGE

Products of Agriculture	1921 Tons	Per Cent	1920 Tons	Per Cent
Grain	7,028	.7	7,545	.7
Flour	3,566	.3	3,784	.3
Other Mill Products	162	....	771	....
Hay	3,116	.3	3,913	.3
Fruit and Vegetables	21,144	2.0	22,556	2.0
Other Products of Agriculture	43,144	4.1	28,964	2.5
Total Products of Agriculture	78,160	7.4	67,533	5.8

T A B L E I (Continued)

	1921 Tons	Per Cent	1920 Tons	Per Cent
Products of Animals				
Live Stock	7,408	.7	7,669	.7
Dressed Meats .....	....	....	....	....
Other Packing House Products .....	....	....	....	....
Poultry, Fish and Game .....	....	....	176	....
Wool	8	....	98	....
Hides and Leather	4,153	.4	6,806	.6
Other Products of Animals	1,296	.1	694	....
Total Products of Animals...	12,865	1.2	15,443	1.3
Products of Mines				
Anthracite Coal .....	....	....	127	....
Bituminous Coal	83,237	7.8	143,726	12.6
Coke	2,736	.3	1,432	.1
Stone, Sand and other like articles..	420,669	39.7	370,780	32.5
Other Products of Mines	8,423	.8	23,624	2.1
Total Products of Mines....	515,065	48.6	539,689	47.3
Products of Forests				
Lumber	149,645	14.1	183,537	16.1
Other Products of Forests	8,709	.8	19,070	1.7
Total Products of Forests....	158,354	14.9	202,607	17.8
Manufactures and Miscellaneous				
Petroleum and Other Oils	10,240	1.0	12,188	1.0
Sugar	1,183	.1	917	....
Naval Stores .....	....	....	6	....
Iron, Pig and Bloom	621	.1	963	....
Iron and Steel Rails	99	....	1,500	.1
Other Castings and Machinery	2,325	.2	3,919	.3
Bar and Sheet Metal	2,149	.2	2,039	.2
Cement, Brick and Lime	156,513	14.8	168,262	14.8
Agricultural Implements	475	....	699	....
Wagons, Carriages, Tools, etc.	635	.1	298	....
Beverages	353	....	124	....
Household Goods and Furniture ..	573	....	1,670	.1
Other Manufactures and Miscel- laneous	76,295	7.2	66,114	5.8
Total Manufactures	251,461	23.7	258,699	22.3
L. C. L. Goods not distributed above	45,049	4.2	61,830	5.5
Grand Total, all commodities..	1,060,954	100%	1,145,801	100%

TABLE J
DETROIT AND MACKINAC RAILWAY COMPANY
FREIGHT STATISTICS

	1921	1920
Number tons revenue freight carried	1,060,954	1,145,801
Number tons non-revenue freight carried	41,826	42,749
Total number tons of freight carried	1,102,780	1,188,550
Number revenue tons carried one mile	68,548,000	88,533,232
Number all tons carried one mile	70,913,000	91,311,000
Number revenue tons carried one mile, per mile of road	177,769	236,271
Number tons all freight carried one mile per mile of road	183,903	243,684
Average distance haul of one ton revenue freight (miles)	64.61	77.26
Average distance haul of one ton all freight (miles)	64.30	76.82
Total freight revenue	\$ 1,442,808.81	\$ 1,473,534.52
Average amount received for each ton of freight.....	1.3599	1.2860
Average receipts, per ton, per mile .....	.02104	.01664
Freight revenue per mile of road	3,741.72	3,932.47
Freight revenue per train mile	5.35	5.11
Average number of revenue tons per train mile	254.26	307.10
Average number of all tons, per train mile	263.04	316.73
Average number of revenue tons, per loaded car mile	21.21	22.87
Average number of all tons, per loaded car mile.....	21.94	23.59
Average number of cars, per train mile	19.40	19.16

PASSENGER STATISTICS

Number of passengers carried	264,037	357,998
Number of passengers carried one mile	11,768,000	16,125,415
Number of passengers carried one mile per mile of road	30,518	43,034
Average distance each passenger carried (miles)....	44.569	45.043
Passenger revenue	\$ 406,134.73	\$ 437,935.78
Average amount received from each passenger	1.5381	1.2233
Average receipts per passenger per mile .....	.03451	.02716
Total passenger train earnings	502,467.70	565,216.29
Passenger earnings per mile of road	1,303.08	1,508.41
Passenger earnings per train mile	1.69	1.37
Average number of passengers per train mile	39.59	39.18

OPERATING STATISTICS

Gross revenue from operation	\$ 1,972,441.28	\$ 2,077,930.66
Gross revenue from operation, per mile of road.....	5,115.25	5,545.43
Operating expenses	1,766,132.72	2,225,920.08
Operating expenses per mile of road	4,580.21	5,940.38
Operating expenses per train mile	3.288	3.99
Net operating revenues	206,308.56	147,989.42
Net operating revenues per mile of road	535.04	394.94
Ratio of expenses to earnings	89.54%	107.12%

Italic face type denotes deficit.

TABLE K

DETROIT AND MACKINAC RAILWAY COMPANY

EQUIPMENT			
Locomotives—			
Passenger	1921	1920	
Freight	13	13	
Switching	16	16	
	4	4	
Totals		33	33
Passenger Cars—			
First Class	17	17	
Combination	7	7	
Parlor	2	2	
Cafe	1	1	
Baggage, Express and Postal	9	9	
Totals		36	36
Freight Cars—			
Refrigerator	6	6	
Box	598	606	
Coal	49	49	
Flat	247	258	
Stock	77	78	
Gondolas	464	460	
Totals		1441	1457
In Company's Service—			
Officers and Pay Cars	1	1	
Derrick Cars	1	1	
Caboose Cars	12	12	
Other Road Cars	44	42	
Snow Plow	2	2	
Steam Shovel	1	1	
Totals		61	59
Summary—			
Total Number of Locomotives Owned	33	33	
Total Number of Cars Owned	1538	1552	

TABLE L

DETROIT AND MACKINAC RAILWAY COMPANY

STATEMENT OF TRACKS BUILT AND TAKEN UP DURING YEAR 1921

TRACKS BUILT

<i>Track Order</i>	<i>Location</i>	<i>Miles</i>	<i>Feet</i>
1069 Build Spur Track for Angus McDonald.....	Omer		1350
1113 Extend Spur for Solomon, Hayes, Cowley Company	Footo Dam		150
1115 Build Cross-over Track for Fletcher Paper Co. Alpena			70
1117 Changing Track Lay-out	Tawas Shop Yard		3840
1118 Build Spur Track for D. and M. Ry. Co.....	Hillman Branch		983
1119 Connect Track No. 60 with Track No. 63....	Alpena Junction		327
1124 Connect Tracks 14 and 17.....	North Bay City Yard		430
1125 Extend Track No. 20.....	North Bay City Yard		1988
1126 Build Cross-over between Tracks 20 and 19..	North Bay City Yard		300
1127 Connect Track No. 12 and Track No. 18-A..	North Bay City Yard		100
1128 Build Cross-over between Tracks No. 19 and 2	North Bay City Yard		300
1133 Build Track No. 17.....	North Bay City Yard		360
1135 Extend Hill Spur	Au Sable		60
1136 Build Spur at 2½ Miles South of.....	Ossineke		670
1138 Extend Main Line	Au Gres Branch		1316
1139 Extend Track No. 2—Tawas Shops	Tawas Shop Yards		350
Extend Track No. 4.....	Tawas Shop Yards		374
Extend Track No. 6.....	Tawas Shop Yards		739
Extend Track No. 14.....	Tawas Shop Yards		800
Extend Track No. 20.....	Tawas Shop Yards		881
Build Track No. 22.....	Tawas Shop Yards		1780
Extend Track No. 24.....	Tawas Shop Yards		2221
1140 Connect Track No. 5 with Main Line.....	Au Gres Branch		165
1141 Connect Track No. 5 with Track No. 4.....	Au Gres Branch		294
1146 Build Spur Track for S. T. Hill.....	Tobico		450
1147 Build Spur Track for Prescott Cooperative Shipping Association	Prescott		517
1148 Connect Track No. 1 with Track No. 8.....	North Bay City		225
1149 Connect Track No. 3 with Track No. 21....	North Bay City		346
1150 Build Track 21-A off Track 1.....	North Bay City		467
1161 Build Track No. 19.....	North Bay City		900
1162 Extend Track No. 22	Rose City		120
Total		4	1753

TRACKS TAKEN UP

<i>Track Order</i>	<i>Location</i>	<i>Miles</i>	<i>Feet</i>
1086 Retire Water Works Spur	East Tawas		720
1091 Retire South End	Rogers City Branch		2426

TABLE L (Continued)

1106	Retire Balance of Peppel Branch.....	Au Sable River Branch	5578
1112	Retire Back End of Turtle Spur, Main Line..	Emery Junction	870
1116	Retire Hill Spur 1½ Miles West of.....	Emery Junction	435
1121	Retire Peppel Branch	Au Sable River Branch	735
1122	Retire Part of Track No. 12.....	North Bay City	900
1123	Retire Track No. 14	North Bay City	160
1130	Retire Track No. 26.....	Alpena Yard	384
1132	Retire Track No. 17.....	North Bay City Yard	360
1134	Retire Track No. 174—1 Mile North of.....	Millersburg	890
1137	Retire Gordon Spur 2 Miles South of.....	Ossineke	500
1142	Retire Switch on Track No. 5—Main Line...	Au Gres Branch	60
1143	Retire Track No. 6.....	North Bay City Yard	397
1144	Retire Track No. 27.....	Pinconning	195
1151	Retire Switch Track No. 1.....	North Bay City	58
1152	Retire Track No. 20.....	Tawas Yard	1264
1153	Retire Track No. 6.....	Tawas Yard	15
1154	Retire Track No. 2.....	Tawas Yard	8
1155	Retire Track No. 4.....	Tawas Yard	250
1156	Retire Switch and Track No. 14.....	Tawas Yard	650
1157	Retire Track No. 62.....	Alpena Yard	150
1158	Retire Track No. 24.....	North Bay City	180
1159	Retire Track No. 7.....	North Bay City	315
Total			3 1660

SUMMARY

Tracks Built	4	1753
Tracks Taken Up	3	1660
Increase in Trackage, all Yard Tracks and Sidings		
Less Adjustment for Year 1920	1	0093
Net Increase		
	0	1795

